



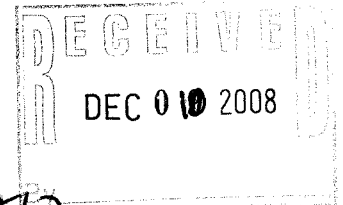
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ARIZONA'S CHILDREN
ASSOCIATIONProtecting Children. Preserving Families.
Across Arizona Since 1912.

ORIGINAL

December 5, 2008

Chairman Mike Gleason
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007



E-01345A-08-0172

Dear Chairman Gleason:

I am writing on behalf of Arizona's Children Association, the largest child welfare and behavioral health non-profit organization in Arizona, in support of the proposed APS rate hike.

Arizona's Children Association employees bring hope to thousands of children and families in communities across Arizona. We all want to leave our children a better world than we found it. They deserve nothing less and we are serious about our responsibility to them. Arizona Public Service has been a steadfast partner that shares our vision of a brighter future for all Arizonans.

Arizona's Children Association is nearly 100 years old, and our partnership with Arizona Public Service Company goes back more than thirty years. Over the years, contributions from Arizona Public Service Company shareholders have funded significant prevention programs for children and families across the state including:

Sponsor and founder of "Wired for Success," statewide early infant brain development workshops for parents and caregivers.

Three year member of the Arizona's Children Association corporate alliance, providing funding for prevention, intervention and permanency programs for children and families across the state.

The Tucson KARE Center, dedicated to providing guidance and emotional support for kinship caregivers.

The Strong Youth, Strong Communities program at Golden Gate Community Center in west central Phoenix.

The Child Haven crisis nursery program that provides short-term housing and care for vulnerable infants and children up to age six with no alternative resources.

The Healthy Families program in Yuma, helping expectant and new parents get their babies off to a healthy start.

Arizona Corporation Commission
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MEMBERS OF THE ARIZONA'S CHILDREN ASSOCIATION FAMILY OF AGENCIES

DOCKETED BY

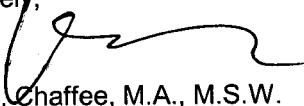
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December 5, 2008
Page Two

In addition, Arizona Public Service Company employees help us out regularly with maintenance and remodeling activities at our facilities, enabling us to divert more of our limited resources to programs and services. In short, our partnership with Arizona Public Service benefits countless children and families across Arizona each year, which we would otherwise not be able to touch. For so many reasons, it's important for the residents of Arizona that Arizona Public Service company remain a strong, local utility company with the ability to secure our energy future.

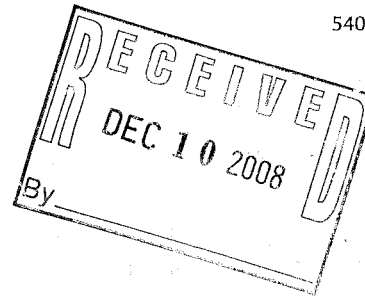
Please contact me if you have any further questions about the importance of Arizona Public Service Company to Arizona's Children Association and the vulnerable children and families we serve across the state.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred J. Chaffee', with a stylized flourish at the end.

Fred J. Chaffee, M.A., M.S.W.
President and Chief Executive Officer

FJC/mws



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December 8, 2008

Commissioners
Arizona Corporation Commission
1200 West Washington
Second Floor
Phoenix, AZ 85007

E-01345A-08-0172

Dear Commissioners,

On behalf of the Central Arizona Regional Economic Development Foundation (CAREDF), I am writing to express support for the Arizona Public Service (APS) company's request for an interim rate adjustment of 4 percent.

CAREDF is a nonprofit corporation designed to actively promote and preserve the economic strength of the central Arizona region through actions focused on business recruitment, expansion and retention, and international business development and alliances. CAREDF is a nonprofit corporation designed as a regional partnership between the public and private sectors. The Foundation was formed in 1984, and today, it is the largest economic development organization in rural Arizona, representing numerous communities and more than 140 members.

We have extensive working knowledge of APS's commitment to the state's rural communities and citizens within. In the past, APS provided the key elements of infrastructure, capital, and services to rural Arizona which stimulated growth of quality jobs and services.

With the recent upheavals in our national economy and the intense media focus on our banking system, we have all become aware of how quickly good companies can be unfairly harmed when their access to capital markets is restricted. CAREDF was alarmed to learn that of 139 public utilities in the United States, APS now has the third lowest credit rating. Much of the downward pressure on this credit rating has been the result of analysts' reaction to what they perceive as an unduly negative regulatory climate in Arizona. It appears that these analysts do not believe that APS will be able to obtain the rate increases necessary to remain financially viable. Teetering on the edge of junk bond status is a dangerous position for a company that must maintain and invest in the power system that essentially makes our economic future possible.

CAREDF understands the important role that the Arizona Corporation Commission has within our state. We appreciate the care and detailed consideration of each case that is brought before the commission and know that an effective regulatory body is an essential component of our economic system. The relationship between the regulated utilities and the public is a two-way street. It is important to protect the public against unnecessary increases in their utility costs, while simultaneously ensuring that these providers remain financially strong for the future.

Therefore, we were heartened to see the recent steps APS has taken to eliminate more than 500 internal positions, while cutting operating expenses by almost \$50 million and capital expenditure budgets by \$700 million. These steps were unfortunate, but very responsible.

The national economy has been in a fragile transition. Our own state economy has been deeply affected as well. In these unfortunate economic conditions, APS cannot sustain a business model in which its costs continue to exceed the prices it is allowed to charge for the services provided. It is the responsibility of the Commission to balance both the present and future needs of Arizona's citizens and businesses.

CAREDF urges your careful consideration and approval of the APS request for an interim rate hike of 4 percent.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Albrecht", with a long horizontal flourish extending to the right.

Barry Albrecht
CEO/Executive Director
Central Arizona Regional Economic Development Foundation